



**Denali Commission
Quarterly Progress Report
January 1 – March 31, 2020**

SWAMC Staff: Shirley Marquardt, Executive Director; Laura Vaught, Economic Development Specialist

Project Status: The project is on schedule, on budget, and has not experienced any problems to date.

INFRASTRUCTURE

Rural Broadband

SWAMC provided a general letter of support in early March for both GCI and Quintillion to include in their applications as they both prepared to apply for the USDA ReConnect grant to bring broadband internet to the Aleutians. Quintillion ultimately decided not to apply for the USDA ReConnect grant; GCI did submit an application by the deadline. In January and February, Marquardt met with several broadband stakeholders and potential providers: Jason Hoke of the Denali Commission regarding broadband and other rural economic development issues; Emmett Fitch of OptimERA, a small internet service provider in Unalaska, to discuss Fitch's potential intent to apply for the ReConnect grant to provide broadband to the Aleutian region via microwave; Zack Naramore of Quintillion to discuss Quintillion's potential ReConnect application and worked directly with him to create a list of local and tribal government leaders and contacts in Aleutian Island communities; and Dan Boyette of GCI regarding GCI's intent to apply for a grant under the program.

TRANSPORTATION

Alaska Marine Highway System

Marquardt continues to advocate for the AMHS being funded to provide basic service while the Governor's Reshaping Team analyzes the system's failings while evaluating options for service. As a past member of the Marine Transportation Advisory Board, Marquardt has direct contact and information sharing with the operating structure of the system and the SW Coastal communities that depend on them. Marquardt is working closely with the Southeast Conference Executive Director Robert Venables who is also on Governor Dunleavy's AMHS Re-Shaping Team. The AMHS is a vital economic connector in the SWAMC region for municipalities, fisheries participants, construction companies, and businesses, and its sustainability is of great importance in our region. Marquardt is also communicating with State Legislators regarding the funding and construction of the Tustumena and following the work of the AMHS management in Ketchikan as they struggle to avoid the Buy America Act restrictions on critical marine engineering that is not available in the US.

Essential Air Service and Harbor funding

Marquardt has participated in online Town Hall events with our Federal Delegates regarding the disastrous loss of scheduled air transportation in the SWAMC region due to the recent decision by Ravn Air Group to cease all operations due to the COVID-19 impact on air transportation. Marquardt is communicating regularly with Alaska Airlines management regarding planned service in the next month (May) to at least six communities that are not on the road system and are currently cut off from necessary travel, cargo, and mail service. Marquardt is also communicating with the Governor's Rural Advocate designee, John Moller, to stay up to date on State reaction and possible alternative carriers that can step into the void caused by Ravn Air Group's bankruptcy declaration. Marquardt linked air carriers based out of Anchorage with fishing industry organizations to support additional service to our region in light of the intent by the State of Alaska to open the summer salmon fisheries.

SWAMC continues to monitor the SW Alaska Transportation Plan to support and advocate for maintenance funding for current docks and harbors and for a more regional process to develop priority transportation projects that are critical for economic security in our communities. Marquardt met with members of the Alaska Association of Harbormasters and Port Administrators at their February 12-13 winter conference in Anchorage and discussed the benefits of dock upgrades and harbor/entrance dredging to encourage larger, more efficient vessels to use the ports. This also creates additional longshore jobs in those communities.

ENERGY

SWAMC was successful in applying for a third round of the USDA REDA grant in March to provide subsidized energy audits to businesses statewide. The goal of this program is to help business owners obtain an energy audit and access funding to install energy efficiency upgrades identified in the audit. Many fishing vessel owners have participated in the program in order to upgrade to refrigerated seawater (RSW) systems to chill their catch. This simple yet critical step allows the fisherman to get top dollar for his/her salmon at delivery. This program has been very successful in the Bristol Bay region, and Vaught is working with regional contacts to get the information out to fisheries organizations and vessel operators in the Aleutians East Borough for the next phase. SWAMC intends to use some of the Denali Commission funding to help support this energy audit program in 2020.

RESOURCES

Seafood

SWAMC has worked closely with seafood processors, harvesters, CDQ groups and fishery-dependent communities who are unsure of the future of their highly valuable summer salmon fisheries due to the COVID-19 concerns. Rural communities who depend on the fishery for individual income, small business income, and municipal tax revenue are struggling with the question of whether to open the fisheries and capture critical revenue or close the fisheries this summer to protect their communities from possible virus infection. SWAMC has organized teleconferences between the communities in the Aleutians East Borough, the Bristol Bay Borough, and the Lake & Pen Borough to discuss options, concerns, and planning for a fishing season that protects the communities and participants. Marquardt is communicating directly with seafood organization Executive Directors to get the most up to date information and pass that onto the SWAMC membership via the Board of Directors and the Mayors and Managers of our communities. Marquardt directly linked the Executive Director of the Camai Community Health Center (located in Naknek and serving multiple communities) with Governor Dunleavy's Rural Affairs Advisor in order to support a partnered approach to the upcoming salmon season in Bristol Bay and the concerns of community leaders for their safety due to the influx of out of state workers and fishermen who participate in the fishery.

Mariculture

SWAMC is providing in-kind support and supervision to AFDF staff as they work on a USDA Rural Business Development Grant-funded program to provide business assistance to individuals and companies interested in entering the mariculture business: growing sea plants and raising shellfish. As we move into spring/summer weather there will be further discussions regarding the success of a pilot project in Sand Point and possible site visits.

Marquardt worked with Craig Fleener of Alaska Ocean Cluster (AOC) to identify regulatory roadblocks that can be addressed by the State (DEC, DCCED and DNR) to encourage pilot projects for seaweed and kelp harvesting in the SWAMC region. Interest in mariculture continues to grow, with at least 4 communities in Kodiak and 5 communities in the Aleutians/Pribilofs showing varying degrees of interest, from actively seeking leases for mariculture businesses to general discussion from all large seafood processing companies. There is a pilot project led by Trident Seafoods and the Aleutians East Borough very close to Sand Point, and Marquardt and Vaught have been involved in discussions to better understand and promote the project. Mariculture was prominently showcased at SWAMC's Economic Summit on March 6 with a panel discussion and an ASMI-sponsored lunch that highlighted last year's Symphony of Seafood winners.

SWAMC has worked with Pacific Northwest National Laboratory (PNNL) on a Department of Energy, Advanced Manufacturing Office (AMO)-funded grant application to investigate uses of kelp and seaweed to make various products, including fuel. The project aims to develop viable solutions to processing bottlenecks holding back expansion of kelp production, identifying processes to be conducted in Alaska to produce various products and identify the market potential of those products. PNNL is managing the grant and SWAMC is providing match and managing a Steering Committee made up of stakeholders from the SWAMC region. SWAMC helps to host bi-monthly teleconferences with PNNL and advises them on the marine environment and the business structure of seafood processing plants in the region. The Steering Committee helps to connect them with the processing industry and entrepreneurs in the communities that show interest. Marquardt urged PNNL staff to reach out to seafood processing companies by phone and email to introduce themselves and their goal in order to build trust and partnerships in the short term.

WORKFORCE DEVELOPMENT

Vista and the Alaska Maritime Workforce Development Plan

SWAMC's primary workforce development initiative is a partnership with the Alaska Safety Alliance (ASA), formerly known as the Alaska Process Industry Career Consortium (APICC), to share an AmeriCorps VISTA position to update the *Alaska Maritime Workforce Development Plan* and work on other workforce development and STEM projects. Marquardt is working with VISTA volunteer Brooks Duncan to help him understand the maritime industries in SW Alaska and has introduced and connected Duncan with leaders in the marine transportation field as well as the seafood industry. Duncan is working directly with ASA to evaluate the current plan for updates and possible training opportunities in the region. When travel restrictions are loosened, we expect to visit communities with processing plants that provide the majority of their municipal tax revenue and work with the plant managers and local schools to provide insight to careers in the maritime industry that help students chart a path forward. Marquardt has enlisted the Marine Pilot organization in the region to attend school career fairs and junior/senior classes to encourage maritime job opportunities and full ride scholarships to Merchant Marine Academies in Massachusetts, California and New York.

PARTNERSHIPS

Southeast Conference

Marquardt and Vaught attended the Southeast Conference Mid-Session Summit February 4-5 in Juneau. Participants discussed economic indicators that affect the region and Southeast Conference updated their SWOT at the meeting with the conference attendees. There were strong presentations from the Energy Industry, AIDEA, the Economic Development Administration, the Denali Commission, AK Dept. of Commerce, the Oil, Gas, and Mining industry, the Travel and Seafood industries, Healthcare, Maritime industries (transportation and mariculture), and a CEDS workshop.

While in Juneau, Marquardt and Vaught made appointments with key Legislators to discuss concerns and economic priorities for SW Alaska and met with AML Executive Director Nils Andreassen to continue to plan for a combined effort for AMHS funding and Broadband expansion.

Denali Commission/ARDORS

Marquardt and Vaught attended the first of four quarterly required meetings of ARDORS – called the Alaska Regional Development Network – for the Denali Commission grant on February 6th. A list of active and potential projects in the region was prepared and provided to Denali Commission staff ahead of time. Marquardt and Vaught gave an update on SWAMC's current projects (broadband, mariculture, energy audits, workforce development) and listened to other perspectives. Jason Hoke of the Denali Commission focused on economic growth as the priority of his organization and

strongly encouraged the ARDORs to look at broadband and energy projects to bring down the cost of business in the region.

Alaska State Legislature and Administration

Marquardt monitored the budget process in the Alaska Legislature daily and coordinated information with the Alaska Municipal League Executive Director Nils Andreassen to provide Legislators and Committees with specific information from SW Alaska. SWAMC took a position in support of the proposed Nuyakuk Hydroelectric project north of Dillingham that needed legislation to proceed with study and construction due to its location inside the Wood-Tikchik State Park, and they were successful with study-planning funding authorized.

SWAMC Annual Economic Summit & Membership Meeting

SWAMC held its annual Conference on March 5-6. The event attracted over 140 attendees and 12 vendors with booths. Agenda topics included: marine transportation, air transportation, energy, broadband, public safety, fisheries science, fisheries management and policy, and mariculture, along with SWAMC's annual membership meeting and a Legislative update and dialogue with SWAMC's regional state senators and representatives. Staff spent much of January and February preparing for the event.